CLAIMS:

1. A method for enabling the online incorporation of the effects of uncertainty and risk factors while negotiating e-commerce transactions comprising:
    -   maintaining one or more or the following online databases:
        -   an updated online database of prices derivatives associated with goods or services involved in completing said transaction,
        -   an updated online database of currency exchange derivatives associated with each activity involved in completing said transaction,
        -   an online database of insurance derivatives associated with the risks involved in completing said transaction,
        -   an online database of counter party risk classification information associated with the activities of said transaction,
        -   an online database of market rules that govern said negotiations,
        -   an online database of customized information related to risks at a given point of time for specified transactions,
    -   determining the costs associated with one or more risk elements by using the data corresponding to the parameters of said transaction in conjunction with the requirements of applicable market rules and the information from the said databases.
    -   modifying the data corresponding to the parameters of the said transaction by using the information from the said databases.

2. The method as claimed in claim 1, further utilized for determining:
    -   the set of e-commerce transactions that should take place and the set of e-commerce transactions that should not take place from amongst the various possibilities,
    -   the prices to be paid by buyers, the amounts to be received by the sellers and the payments to be made to other service providers, in respective currencies, for the transactions that should take place.

3. The method as claimed in claim 1, wherein said price derivatives provide contractable rates of identical goods or services derived from the primary goods or services

being negotiated at specified future dates.

4.   The method as claimed in claim 1, wherein said currency exchange derivatives provide contractable rates of currency exchange at a specified future dates.

5.   The method as claimed in claim 1 wherein said modification may involve converting amounts from original currencies to amounts in a different currencies using said currency exchange derivatives

6.   The method as claimed in claim 1, wherein said counter party risk classification data includes the estimated uncertainty of the opposite party fulfilling its obligation.

7.   The method as claimed in claim 1, wherein each of the said databases are located either at the seller end or at the buyer end or may be hosted by a third party.

8.   The method as claimed in claim 1, wherein said method is implemented by an online intermediary providing said facilities as a service against a fee of commission.

9.   The method as claimed in claim 1, applied to a transaction between a single buyer and single seller negotiating online.

10.   The method as claimed in claim 1, applied to online auctions between a seller and multiple buyers.

11.   The method as claimed in claim 1, applied to online reverse auctions between a buyer and multiple sellers.

12.   The method as claimed in claim 7, applied to two-sided matching markets involving multiple buyers and sellers.

13.   The method as claimed in claim 10, wherein the winning bid for the desired goods or services in an online auction is selected on the basis of highest risk-adjusted payout to the seller.

14. The method as claimed in claim 11, wherein the winning offer for the desired goods or service in an online reverse auction is selected on the basis of least risk adjusted cost to the buyer.

15. The method as claimed in claim 13, wherein said highest risk-adjusted payout to the seller is determined by incorporation of the effect of various said derivatives relevant for completion of said transaction related to each bid if that bid is to be selected.

16. The method as claimed in claim 15, wherein said incorporation of the effect of various said derivatives is by deduction of said costs associated with the risk elements.

17. The method as claimed in claim 14, wherein said least risk-adjusted cost to buyer is determined by incorporation of the effect of various said derivatives relevant for completion of said transaction related to each sell offer if that sell offer is to be selected.

18. The method as claimed in claim 17, wherein said incorporation of the effect of various said derivatives is by addition of the said costs associated with the risk elements.

19. The method as claimed in claim 13, wherein relevant derivatives of said selected bid are booked with said online derivative services for completion of said transaction.

20. The method as claimed in claim 14, wherein relevant derivatives of said selected bid are booked with said online derivative services for completion of said transaction.

21. The method as claimed in claim 10, wherein a minimum required qualifying bid amount is communicated to a potential bidder in response to request for the information about the current status of the auctions.

22. The method as claimed in claim 11, wherein a maximum allowable offer amount is communicated to a potential seller in response to request for the information about the current status of the reverse auctions.

23.   The method as claimed in claim 12, wherein the sell orders resident in the database are shown to a potential buyer after online addition of said computed costs associated with risk elements to the price quoted by seller for each of the sell orders in response to request for such information in a two-sided matching market and online incorporation of values of applicable derivatives.

24.   The method as claimed in claim 12, wherein the buy orders resident in the database are shown to a potential seller after online deduction of said computed costs associated with risk elements from the price quoted by buyer for each of the sell orders in response to request for such information in a two-sided matching market and online incorporation of values of applicable derivatives.

25.   The method as claimed in claim 12 wherein the resident sell orders are prioritized for matching an incoming buy order in the increasing order of the net cost computed by addition of said computed costs associated with risk elements to the price quoted by seller for each of the sell orders in a two-sided matching market and online incorporation of values of applicable derivatives.

26.   The method as claimed in claim 12 wherein the resident buy orders are prioritized for matching an incoming sell order in the decreasing order of the net price computed by deduction of said computed costs associated with risk elements to the price quoted by buyer for each of the buy orders in a two-sided matching market and online incorporation of values of applicable derivatives.

27.   The method as claimed in claim 12, wherein relevant derivatives for the said transactions are booked with said online derivative services for completion of said transactions.

28.   A system for enabling the online incorporation of the effects of uncertainty and risk factors while negotiating e-commerce transactions comprising:
      -      means for maintaining one or more of the following online databases:

JP920010123   31

- an updated online database of prices derivatives associated with goods or services involved in completing said transaction,

- an updated online database of currency exchange derivatives associated with each activity involved in completing said transaction,

- an online database of insurance derivatives associated with the risks involved in completing said transaction,

- an online database of counter party risk classification information associated with the activities of said transaction,

- an online database of market rules that govern said negotiations,

- an online database of customized information related to risks at a given point of time for specified transactions,

- means for determining the costs associated with one or more risk elements by using the data corresponding to the parameters of said transaction in conjunction with the requirements of applicable market rules and the information from the said databases.

- means for modifying the data corresponding to the parameters of the said transaction by using the information from the said databases.

29. The system as claimed in claim 28, further utilized for determining:

- the set of e-commerce transactions that should take place and the set of e-commerce transactions that should not take place from amongst the various possibilities,

- the prices to be paid by buyers, the amounts to be received by the sellers and the payments to be made to other service providers, in respective currencies, for the transactions that should take place.

30. The system as claimed in claim 28, wherein said price derivatives provide contractable rates of identical goods or services derived from the primary goods or services being negotiated at specified future dates.

31. The system as claimed in claim 28, wherein said currency exchange derivatives provide contractable rates of currency exchange at a specified future dates.

32.   The system as claimed in claim 28 wherein said modification may involve converting amounts from original currencies to amounts in a different currencies using said currency exchange derivatives

33.   The system as claimed in claim 28, wherein said counter party risk classification data includes the estimated uncertainty of the opposite party fulfilling its obligation.

34.   The system as claimed in claim 28, wherein each of the said databases are located either at the seller end or at the buyer end or may be hosted by a third party.

35.   The system as claimed in claim 28, wherein said system is used by an online intermediary providing said facilities as a service against a fee of commission.

36.   The system as claimed in claim 28, used in a transaction between a single buyer and single seller negotiating online.

37.   The system as claimed in claim 28, used in an online auctions between a seller and multiple buyers.

38.   The system as claimed in claim 28, used in an online reverse auctions between a buyer and multiple sellers.

39.   The system as claimed in claim 34, used in a two-sided matching markets involving multiple buyers and sellers.

40.   The system as claimed in claim 37, including means for selecting the winning bid for the desired goods or services in an online auction on the basis of highest risk-adjusted payout to the seller.

41.   The system as claimed in claim 38, including means for selecting the winning offer for the desired goods or service in an online reverse auction on the basis of least risk adjusted cost to the buyer.

42.   The system as claimed in claim 40, including means for determining said highest risk-adjusted payout to the seller by incorporation of the effect of various said derivatives relevant for completion of said transaction related to each bid if that bid is to be selected.

43.   The system as claimed in claim 42, wherein said incorporation of the effect of various said derivatives is through means of deducting said costs associated with the risk elements.

44.   The system as claimed in claim 41, including means for determining said least risk-adjusted cost to buyer by incorporation of the effect of various said derivatives relevant for completion of said transaction related to each sell offer if that sell offer is to be selected.

45.   The system as claimed in claim 44, wherein said incorporation of the effect of various said derivatives is through means for adding said costs associated with the risk elements.

46.   The system as claimed in claim 40, including means for booking relevant derivatives of said selected bid with said online derivative services for completion of said transaction.

47.   The system as claimed in claim 41, including means for booking relevant derivatives of said selected bid with said online derivative services for completion of said transaction.

48.   The system as claimed in claim 37, including means for communicating a minimum required qualifying bid amount to a potential bidder in response to request for the information about the current status of the auctions.

49. The system as claimed in claim 38, including means for communicating a maximum allowable offer amount to a potential seller in response to request for the information about the current status of the reverse auctions.

5   50. The system as claimed in claim 39, including means for showing the sell orders resident in the database to a potential buyer after online addition of said computed costs associated with risk elements to the price quoted by seller for each of the sell orders in response to request for such information in a two-sided matching market and online incorporation of values of applicable derivatives.

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51. The system as claimed in claim 39, including means for showing the buy orders resident in the database to a potential seller after online deduction of said computed costs associated with risk elements from the price quoted by buyer for each of the sell orders in response to request for such information in a two-sided matching market and online incorporation of values of applicable derivatives.

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52. The system as claimed in claim 39, including means for prioritizing the resident sell orders for matching an incoming buy order in the increasing order of the net cost computed by addition of said computed costs associated with risk elements to the price quoted by seller for each of the sell orders in a two-sided matching market and online incorporation of values of applicable derivatives.

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53. The system as claimed in claim 39, including means for prioritizing the resident buy orders for matching an incoming sell order in the decreasing order of the net price computed by deduction of said computed costs associated with risk elements to the price quoted by buyer for each of the buy orders in a two-sided matching market and online incorporation of values of applicable derivatives.

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54. The system as claimed in claim 39, including means for booking relevant derivatives for the said transactions with said online derivative services for completion of said transactions.

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55.   A computer program product comprising computer readable program code stored on computer readable storage medium embodied therein for enabling the online incorporation of the effects of uncertainty and risk factors while negotiating e-commerce transactions comprising:

-     computer readable program code means configured for maintaining one or more or the following online databases:

-     an updated online database of prices derivatives associated with goods or services involved in completing said transaction,

-     an updated online database of currency exchange derivatives associated with each activity involved in completing said transaction,

-     an online database of insurance derivatives associated with the risks involved in completing said transaction,

-     an online database of counter party risk classification information associated with the activities of said transaction,

-     an online database of market rules that govern said negotiations,

-     an online database of customized information related to risks at a given point of time for specified transactions,

-     computer readable program code means configured for determining the costs associated with one or more risk elements by using the data corresponding to the parameters of said transaction in conjunction with the requirements of applicable market rules and the information from the said databases.

-     computer readable program code means configured for modifying the data corresponding to the parameters of the said transaction by using the information from the said databases.

56.   The computer program product as claimed in claim 55, further configured for determining:

-     the set of e-commerce transactions that should take place and the set of e-commerce transactions that should not take place from amongst the various possibilities,

-     the prices to be paid by buyers, the amounts to be received by the sellers and the payments to be made to other service providers, in respective currencies, for the transactions that should take place.

57.	The computer program product as claimed in claim 55, wherein said price derivatives provide contractable rates of identical goods or services derived from the primary goods or services being negotiated at specified future dates.

58.	The computer program product as claimed in claim 55, wherein said currency exchange derivatives provide contractable rates of currency exchange at a specified future dates.

59.	The computer program product as claimed in claim 55 wherein said modification may involve converting amounts from original currencies to amounts in a different currencies using said currency exchange derivatives

60.	The computer program product as claimed in claim 55, wherein said counter party risk classification data includes the estimated uncertainty of the opposite party fulfilling its obligation.

61.	The computer program product as claimed in claim 55, wherein each of the said databases are located either at the seller end or at the buyer end or may be hosted by a third party.

62.	The computer program product as claimed in claim 55, wherein said computer program product is configured for an online intermediary providing said facilities as a service against a fee of commission.

63.	The computer program product as claimed in claim 55, configured for a transaction between a single buyer and single seller negotiating online.

64.	The computer program product as claimed in claim 55, configured for an online auctions between a seller and multiple buyers.

65.	The computer program product as claimed in claim 55, configured for an online reverse auctions between a buyer and multiple sellers.

66. The computer program product as claimed in claim 61, configured for a two-sided matching markets involving multiple buyers and sellers.

67. The computer program product as claimed in claim 64, including computer readable program code means configured for selecting the winning bid for the desired goods or services in an online auction on the basis of highest risk-adjusted payout to the seller.

68. The computer program product as claimed in claim 65, including computer readable program code means configured for selecting the winning offer for the desired goods or service in an online reverse auction on the basis of least risk adjusted cost to the buyer.

69. The computer program product as claimed in claim 67, including computer readable program code means configured for determining said highest risk-adjusted payout to the seller by incorporation of the effect of various said derivatives relevant for completion of said transaction related to each bid if that bid is to be selected.

70. The computer program product as claimed in claim 69, wherein said incorporation of the effect of various said derivatives is through computer readable program code means configured for deducting said costs associated with the risk elements.

71. The computer program product as claimed in claim 68, including computer readable program code means configured for determining said least risk-adjusted cost to buyer by incorporation of the effect of various said derivatives relevant for completion of said transaction related to each sell offer if that sell offer is to be selected.

72. The computer program product as claimed in claim 71, wherein said incorporation of the effect of various said derivatives is through computer readable program code means configured for adding said costs associated with the risk elements.

73. The computer program product as claimed in claim 67, including computer readable program code means configured for booking relevant derivatives of said selected bid with said online derivative services for completion of said transaction.

5   74. The computer program product as claimed in claim 68, including computer readable program code means configured for booking relevant derivatives of said selected bid with said online derivative services for completion of said transaction.

75. The computer program product as claimed in claim 64, including computer readable
10   program code means configured for communicating a minimum required qualifying bid amount to a potential bidder in response to request for the information about the current status of the auctions.

76. The computer program product as claimed in claim 65, including computer readable
15   program code means configured for communicating a maximum allowable offer amount to a potential seller in response to request for the information about the current status of the reverse auctions.

77. The computer program product as claimed in claim 66, including computer readable
20   program code means configured for showing the sell orders resident in the database to a potential buyer after online addition of said computed costs associated with risk elements to the price quoted by seller for each of the sell orders in response to request for such information in a two-sided matching market and online incorporation of values of applicable derivatives.

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78. The computer program product as claimed in claim 66, including computer readable program code means configured for showing the buy orders resident in the database to a potential seller after online deduction of said computed costs associated with risk elements from the price quoted by buyer for each of the sell orders in response to
30   request for such information in a two-sided matching market and online incorporation of values of applicable derivatives.

79.   The computer program product as claimed in claim 66, including computer readable program code means configured for prioritizing the resident sell orders for matching an incoming buy order in the increasing order of the net cost computed by addition of said computed costs associated with risk elements to the price quoted by seller for each of the sell orders in a two-sided matching market and online incorporation of values of applicable derivatives.

80.   The computer program product as claimed in claim 66, including computer readable program code means configured for prioritizing the resident buy orders for matching an incoming sell order in the decreasing order of the net price computed by deduction of said computed costs associated with risk elements to the price quoted by buyer for each of the buy orders in a two-sided matching market and online incorporation of values of applicable derivatives.

81.   The computer program product as claimed in claim 66, including computer readable program code means configured for booking relevant derivatives for the said transactions with said online derivative services for completion of said transactions.